

LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)

DETAILED MODEL PLAN

PUBLIC LAW 97-35, AS AMENDED

FISCAL YEAR (FY) 2005

GRANTEE Michigan Family Independence Agency for the State of Michigan

EIN: _____

ADDRESS 235 S. Grand Ave. PO Box 30037
Lansing , MI 48909

NAME OF LIHEAP COORDINATOR Janet Strobe

EMAIL: Stropej@michigan.gov

TELEPHONE: (517) 373-2535 FAX: (517) 335-7771

PLEASE CHECK ONE: TRIBE _____ STATE X INSULAR AREA _____

**Department of Health and Human Services
Administration for Children and Families
Office of Community Services
Washington, DC 20447**

August 1987, revised 05/92, 02/95, 03/96, 12/98, 11/01

OMB Approval No. 0970-0075

Expiration Date: 02/28/2005

THE PAPERWORK REDUCTION ACT OF 1995 (Pub. L. 104-13)

Use of this model plan is optional. However, the information requested is required in order to receive a Low Income Home Energy Assistance Program (LIHEAP) grant in years in which the grantee is not permitted to file an abbreviated plan. Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, gathering and maintaining the data needed, and reviewing the collection of information. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

Assurances

The State of Michigan/Michigan Family Independence Agency agrees to:
(grantee name)

(1) use the funds available under this title to--

(A) conduct outreach activities and provide assistance to low income households in meeting their home energy costs, particularly those with the lowest incomes that pay a high proportion of household income for home energy, consistent with paragraph (5);

(B) intervene in energy crisis situations;

(C) provide low-cost residential weatherization and other cost-effective energy-related home repair; and

(D) plan, develop, and administer the State's program under this title including leveraging programs,

and the State agrees not to use such funds for any purposes other than those specified in this title;

(2) make payments under this title only with respect to--

(A) households in which one or more individuals are receiving--

(i) assistance under the State program funded under part A of title IV of the Social Security Act;

(ii) supplemental security income payments under title XVI of the Social Security Act;

(iii) food stamps under the Food Stamp Act of 1977; or

(iv) payments under section 415, 521, 541, or 542 of title 38, United States Code, or under section 306 of the Veterans' and Survivors' Pension Improvement Act of 1978; or

(B) households with incomes which do not exceed the greater of—

(i) an amount equal to 150 percent of the poverty level for such State; or

(ii) an amount equal to 60 percent of the State median income;

except that a State may not exclude a household from eligibility in a fiscal year solely on the basis of household income if such income is less than 110 percent of the poverty level for such State, but the State may give priority to those households with the highest home energy costs or needs in relation to household income.

(3) conduct outreach activities designed to assure that eligible households, especially households with elderly individuals or disabled individuals, or both, and households with high home energy burdens, are made aware of the assistance available under this title, and any similar energy-related assistance available under subtitle B of title VI (relating to community services block grant program) or under any other provision of law which carries out programs which were administered under the Economic Opportunity Act of 1964 before the date of the enactment of this Act;

(4) coordinate its activities under this title with similar and related programs administered by the Federal Government and such State, particularly low-income energy-related programs under subtitle B of title VI (relating to community services block grant program), under the supplemental security income program, under part A of title IV of the Social Security Act, under title XX of the Social Security Act, under the low-income weatherization assistance program under title IV of the Energy Conservation and Production Act, or under any other provision of law which carries out programs which were administered under the Economic Opportunity Act of 1964 before the date of the enactment of this Act;

(5) provide, in a timely manner, that the highest level of assistance will be furnished to those households which have the lowest incomes and the highest energy costs or needs in relation to income, taking into account family size, except that the State may not differentiate in implementing this section between the households described in clauses 2(A) and 2(B) of this subsection;

(6) to the extent it is necessary to designate local administrative agencies in order to carry out the purposes of this title, to give special consideration, in the designation of such agencies, to any local public or private nonprofit agency which was receiving Federal funds under any low-income energy assistance program or weatherization program under the Economic Opportunity Act of 1964 or any other provision of law on the day before the date of the enactment of this Act, except that—

(A) the State shall, before giving such special consideration, determine that the agency involved meets program and fiscal requirements established by the State; and

(B) if there is no such agency because of any change in the assistance furnished to programs for economically disadvantaged persons, then the State shall give special consideration in the designation of local administrative agencies to any successor agency which is operated in substantially the same manner as the predecessor agency which did receive funds for the fiscal year preceding the fiscal year for which the determination is made;

(7) if the State chooses to pay home energy suppliers directly, establish procedures to --

(A) notify each participating household of the amount of assistance paid on its behalf;

(B) assure that the home energy supplier will charge the eligible household, in the normal billing process, the difference between the actual cost of the home energy and the amount of the payment made by the State under this title;

(C) assure that the home energy supplier will provide assurances that any agreement entered into with a home energy supplier under this paragraph will contain provisions to assure that no household receiving assistance under this title will be treated adversely because of such assistance under applicable provisions of State law or public regulatory requirements; and

(D) ensure that the provision of vendor payments remains at the option of the State in consultation with local grantees and may be contingent on unregulated vendors taking appropriate measures to alleviate the energy burdens of eligible households, including providing for agreements between suppliers and individuals eligible for benefits under this Act that seek to reduce home energy costs, minimize the risks of home energy crisis, and encourage regular payments by individuals receiving financial assistance for home energy costs;

(8) provide assurances that,

(A) the State will not exclude households described in clause (2)(B) of this subsection from receiving home energy assistance benefits under clause (2), and

(B) the State will treat owners and renters equitably under the program assisted under this title;

(9) provide that--

(A) the State may use for planning and administering the use of funds under this title an amount not to exceed 10 percent of the funds payable to such State under this title for a fiscal year; and

(B) the State will pay from non-Federal sources the remaining costs of planning and administering the program assisted under this title and will not use Federal funds for such remaining cost (except for the costs of the activities described in paragraph (16));

(10) provide that such fiscal control and fund accounting procedures will be established as may be necessary to assure the proper disbursement of and accounting for Federal funds paid to the State under this title, including procedures for monitoring the assistance provided under this title, and provide that the State will comply with the provisions of chapter 75 of title 31, United States Code (commonly known as the "Single Audit Act");

(11) permit and cooperate with Federal investigations undertaken in accordance with section 2608;

(12) provide for timely and meaningful public participation in the development of the plan described in subsection (c);

(13) provide an opportunity for a fair administrative hearing to individuals whose claims for assistance under the plan described in subsection (c) are denied or are not acted upon with reasonable promptness; and

(14) cooperate with the Secretary with respect to data collecting and reporting under section 2610.

(15) * beginning in fiscal year 1992, provide, in addition to such services as may be offered by State Departments of Public Welfare at the local level, outreach and intake functions for crisis situations and heating and cooling assistance that is administered by additional State and local governmental entities or community-based organizations (such as community action agencies, area agencies on aging and not-for-profit neighborhood-based organizations), and in States where such organizations do not administer functions as of September 30, 1991, preference in awarding grants or contracts for intake services shall be provided to those agencies that administer the low-income weatherization or energy crisis intervention programs.

*** This assurance is applicable only to States, and to territories whose annual regular LIHEAP allotments exceed \$200,000. Neither territories with annual allotments of \$200,000 or less nor Indian tribes/tribal organizations are subject to Assurance 15.**

(16) use up to 5 percent of such funds, at its option, to provide services that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance, including needs assessments, counseling, and assistance with energy vendors, and report to the Secretary concerning the impact of such activities on the number of households served, the level of direct benefits provided to those households, and the number of households that remain unserved.

Certification to the Assurances: As Chief Executive Officer, I agree to comply with the sixteen assurances contained in Title XXVI of the Omnibus Budget Reconciliation Act of 1981, as amended.* By signing these assurances, I also agree to abide by the standard assurances on lobbying, debarment and suspension, and a drug-free workplace.

Signature of the Tribal or Board Chairperson or Chief Executive Officer of the State or Territory.**

Signature: _____

Title: _____

Date: _____

*** Indian tribes/tribal organizations, and territories with annual regular LIHEAP allotments of \$200,000 or less, are not subject to assurance 15, and thus must only certify to 15 assurances.**

**** If a person other than the Chief Executive Officer of the State or territory, or Tribal Chairperson or Board Chairperson of a tribal organization, is signing the certification to the assurances, a letter must be submitted delegating such authority. (PLEASE ATTACH DELEGATION of AUTHORITY.) The delegation must include authority to sign the assurances, not just to administer the program.**

***** HHS needs the EIN (Entity Identification Number) of the State, territory or Tribal agency that is to receive the grant funds before it can issue the grant.**

In the above assurances which are quoted from the law, "State" means the 50 States, the District of Columbia, an Indian Tribe or Tribal Organization, or a Territory; "title" of the Act refers to Title XXVI of the Omnibus Budget Reconciliation Act of 1981 (OBRA), as amended, the "Low Income Home Energy Assistance Act"; "section" means Section 2605 of OBRA; and, "subsection" refers to Section 2605(b) of OBRA.

statutory
references

2605(c)(1)(C)

➔The funds reserved for winter crisis assistance (alternate which have not been expended by March 15 will be use of crisis reprogrammed to:

assistance
funds)

_____ heating assistance

_____ cooling assistance

_____ weatherization assistance

X Other(specify): Michigan's crisis assistance operates under the State Emergency Relief (SER) program. This program provides year round emergency crisis assistance. LIHEAP funds are used to support the energy component of the SER program year round.

➔Do you accept applications for energy crisis assistance at sites that are geographically accessible to all households in the area to be served? (This is required by the statute.)

Yes X No _____

2605(b)(2) ➔What are your maximum eligibility limits?

2605(c)(1)(A) (Please check the components to which they apply)

Current year guidelines must be used.

(eligibility)

X 150% of the poverty guidelines:
heating _____ cooling _____ crisis _____ wx X

_____ 125% of the poverty guidelines:
heating _____ cooling _____ crisis _____ wx

X 110% of the poverty guidelines:
heating X (Home Heating Credit) cooling _____ crisis _____ wx _____

X 60% of the State's median income:
heating _____ cooling _____ crisis X wx _____

_____ Other (specify for each component)

X Households automatically eligible if one person is receiving
X TANF, X SSI, X Food Stamps, _____ Certain means-
tested veterans programs (heating _____ cooling _____ crisis X wx _____)

statutory
references

2605(c)(1)(A) → Do you have additional eligibility requirements
2605(b)(2) for: HEATING ASSISTANCE _____ Yes X No
(eligibility)

→ Do you use: Yes No

Assets test? _____ X

→ Do you give priority in eligibility to:

Elderly? X _____

Disabled? X _____

Young children? _____ X

Other: _____
(If Yes, please describe)

Home Heating Credit Eligibility Criteria:

There is two Home Heating Credit calculation methods. The standard calculation considers income and number of exemptions in determining benefit amount. The alternate calculation takes into account income, number of exemptions, and household heating costs in determining benefits. An applicant is given the option of choosing the calculation method that is most advantageous.

Under the standard calculation, Home Heating Credits are issued to applicants with income at or below the following levels (all income maximums are below 60% of state median income and equal to or above 110% of federal poverty guidelines):

<u>Exemptions</u>	1	2	3	4	5	6
<u>Income Maximum</u>	\$9,914	\$13,371	\$16,829	\$20,257	\$23,714	\$27,171
Add \$3,454 for each additional exemption.						

Using the alternate calculation, a Home Heating Credit applicant must have income at or below the following amounts:

<u>Exemptions</u>	1	2	3 or more
<u>Income Maximum</u>	\$11,211	\$15,088	\$15,340

GRANTEE State of Michigan/Michigan Family Independence Agency FFY 2005

statutory
references

2605(c)(1)(A)
2605(b)(2)

➔ Do you have additional eligibility requirements
for: **COOLING ASSISTANCE** (____ Yes ____ No)

(eligibility)

➔ Do you use: Yes No

Assets test? _____

➔ Do you give priority in eligibility to:

Elderly? _____

Disabled? _____

Young children? _____

Other:
(If Yes, please describe) _____

statutory
references

2604(c)

2605(c)(1)(A)

→Do you have additional eligibility requirements for: **CRISIS ASSISTANCE** (X Yes No)

(eligibility)

	<u>Yes</u>	<u>No</u>
→Do you use:		
Assets test?	<u> X </u>	<u> </u>
Must the household have received a shut-off notice or have an empty tank?	<u> X </u>	<u> </u>
Must the household have exhausted regular benefit?	<u> X </u>	<u> </u>
Must the household have received a rent eviction notice? <i>(only required if applying for that need reason)</i>	<u> X </u>	<u> </u>
Must heating/cooling be medically necessary? <i>(only required if applying for that need reason)</i>	<u> X </u>	<u> </u>
Other (Please explain):	<u> </u>	<u> </u>

CRISIS INTERVENTION

The LIHEAP crisis intervention component will be coordinated with Michigan's existing State Emergency Relief (SER) program. SER will continue to provide a wide range of non-energy emergency services. Michigan's energy-related emergency services to low income households will be provided through the SER energy services component. The cost for SER energy services will be covered with LIHEAP, state and other federal funds. This emergency component is available year-round.

Eligible Population/Application Process:

The SER energy services component is administered by FIA. Local FIA offices will perform intake, eligibility determination and certain payment functions. With the exception of one county (where the local office operations are combined with an adjoining county), there is at least one local office in each Michigan county and multiple offices in metropolitan areas. In-home applications are available to individuals who are physically infirm. Additionally, outreach will be conducted and applications will be available at community-based organizations statewide.

Face-to-face interviews are required for persons who are applying for SER energy services and are previously unknown to the agency, unless waived by the local office director. Exceptions will be made for certain services when coordinated with other energy-related efforts, such as weatherization. Eligibility will be determined within 10 calendar days after the date of application.

Categorical eligibility will be allowed for households that receive TANF, SSI and Food Stamps. Applications will not be required of categorically eligible groups.

Eligibility Criteria:

Eligibility for the SER energy services component is based on the household's demonstration of immediate need for assistance with home heating fuel, electricity, or energy-related home repairs. Immediate need may be demonstrated by a declared need for a deliverable fuel such as fuel oil, LP gas, wood, and coal; presentation of a shut-off notice for natural gas or electricity; verified need for energy-related home repairs of home owned or being purchased.

Agreements with certain utilities may specify other demonstrations of need. Some cash assistance clients, who are customers of those utilities, may voluntarily elect to have their required energy payment issued on their behalf directly to the provider. An automatic enrollment and payment process (LIHEAP Direct) for eligible TANF, SSI and Food Stamp recipients will be completed with utilities that opt to participate in the process. Payment will be automatically made up to the fiscal year cap. Any subsequent requests for crisis assistance will be made through the local offices.

Both homeowners and renters are eligible for energy assistance through SER energy services. Only homeowners are eligible for energy-related home repairs.

In addition to immediate need, SER energy services eligibility is based on income to be received in the 30-day period following application. Income is defined as the total income received by all members of the SER group. Certain forms of income, such as disaster relief, child foster care payments and educational benefits, are excluded. Income will be verified in a manner consistent with FIP standards and procedures.

All households will have their income compared to the SER Income Need Standard established to cover shelter, heat, utilities, personal and incidental needs. Two results can occur:

- The group's income will be less than the SER Income Need Standard (the group will be eligible for SER energy services on the basis of income), or
- The group's income will be greater than the SER Income Need Standard. The excess income must be used to help meet the cost of the emergency need item requested.

The SER Income Need Standard for all family sizes is below 60% of the state's median income. All households meeting the SER Income Need Standard test are therefore income-eligible for this emergency component.

An assets test will be applied to SER energy services applicant households. Cash assets available at the time of application for SER energy services will be counted when determining eligibility. Fifty dollars of cash assets are exempt. The amount in excess of \$50.00 must be used toward the requested need. Excess cash assets will be added with excess income (if any) when determining the amount the eligible group must pay towards an emergency need item. Applicant households containing only non-working public assistance recipients are deemed income and asset eligible.

➔What constitutes a crisis? (Please describe)

Eligibility for the SER energy services component is based on the household's demonstration of immediate need for assistance with home heating fuel, electricity, or energy-related home repairs. Immediate need may be demonstrated by: a declared need for a deliverable fuel such as fuel oil, LP gas, wood, and coal; presentation of a shut-off notice or other demonstration of need for LIHEAP Direct automatic enrollment for natural gas or electricity; verified need for energy-related home repairs of home owned or being purchased.

statutory
references

2605(c)(1)(A) ➔ Do you have additional eligibility requirements for:
WEATHERIZATION (X Yes No)

(eligibility)

➔ Do you use: Yes No

Assets test? X

Priority groups? (Please list) X
Elderly, Disabled, TANF recipients, SSI recipients, Food Stamp recipients

➔ Are you using Department of Energy (DOE) Low
Income Weatherization Assistance Program
(LIWAP) rules to establish eligibility or to establish
priority eligibility for households with certain
characteristics? X

➔ If Yes, are there exceptions? X
Please list below.
Use 150% of poverty level for LIHEAP.

statutory
references

2605(b)(3) ➔ Please check the outreach activities that you
2605(c)(3)(A) conduct that are designed to assure that eligible households are made
(outreach) award of all LIHEAP assistance available:

____ provide intake service through home visits or by telephone for the
physically infirm (i.e. elderly or disabled).

____ place posters/flyers in local and county social service offices, offices
of aging, Social Security offices, VA, etc.

X publish articles in local newspapers or broadcast media
announcements.

X include inserts in energy vendor billings to inform individuals of
the availability of all types of LIHEAP assistance.

X make mass mailing to past recipients of LIHEAP.

X inform low income applicants of the availability of all types of
LIHEAP assistance at application intake for other low-income programs.

X execute interagency agreements with other low-income program
offices to perform outreach to target groups.

____ other (Please specify):

statutory
references

2605(b)(4)

➔ Please describe how you will assure that LIHEAP is coordinated with similar and related programs. The description provided applies to all components unless specifically noted.

(coordination)

The LIHEAP crisis intervention component will be coordinated with Michigan's existing State Emergency Relief (SER) program. SER will continue to provide a wide range of non-energy emergency services. Michigan's energy-related emergency services to low income households will be provided through the SER energy services component. The cost for SER energy services will be covered with LIHEAP, state and other federal funds. This emergency component is available year-round.

LIHEAP weatherization will be coordinated with US Department of Energy Weatherization Assistance Program. Local weatherization operators coordinate the LIHEAP and DOE funds to meet weatherization needs at the local level.

2605(b)(5)

2605(b)(2)

2605(b)(8A)

➔ The statute requires that there be no difference in the treatment of households eligible because of their income and those eligible because they receive benefits under TANF, Food Stamps, SSI, or certain means-tested veterans programs ("categorically eligible"). How do you ensure there is no difference when determining eligibility and benefit amounts? This applies to all components unless specifically noted below.

(benefit
levels)

SER energy services are available to all low income households in Michigan. The household members may or may not be recipients of other forms of public assistance.

Energy assistance maintenance benefits are available to all low-income households through the Home Heating Credit

All low-income households, including recipients of the Family Independence Program (FIP) and state income assistance, may apply for the Home Heating Credit. The Michigan Department of Treasury, via an agreement with the Michigan Family Independence Agency, will be responsible for determining eligibility and processing payments.

statutory
references

HEATING COMPONENT

2605(b)(5) ➔ Please check the variables you use to determine your benefit levels (check all that apply):

(determination
of benefits)

- X income
- X family (household) size
- X home energy cost or need
- fuel type
- climate/region
- individual bill
- dwelling type
- X energy burden
- (% of income spent on home energy)
- energy need
- other (describe)

2605(b)(5) ➔ Describe how you will assure that the highest
2605(c)(1)(B) benefits go to households with the lowest incomes and the highest energy
costs or needs in relation to income, taking into account family size
(benefit Please describe benefit levels or attach a copy of your payment matrix.
levels)

HOME HEATING CREDIT:

Payment Levels: Under the standard calculation, the credit is based on the number of exemptions claimed by the household and income. The number of household exemptions is the number of household members plus an additional exemption for each person who is age 65 or over, blind, deaf, paraplegic, quadriplegic or hemiplegic. The credit is calculated by subtracting 3.5 percent of household income from the maximum credit available for corresponding household exemptions. The maximum credits are:

<u>Exemptions</u>	1	2	3	4	5	6
<u>Maximum Credit</u>	\$347	\$468	\$589	\$709	\$830	\$951

Add \$121 for each additional exemption.

As noted above, the alternate calculation is based on household income, exemptions and heating costs. To compute the credit amount a household with income at or below the maximum corresponding to household exemptions would subtract 11% of household income from annual heating costs up to a maximum amount of \$1,687 and multiply the resulting amount by 70%.

For those who rent with heat included at the time of application, the Home Heating Credit is 50% of the amount they would have otherwise received.

Finally, Home Heating Credits, both those computed using the standard calculation and the alternate calculation, will be uniformly reduced. The reduction is required to ensure that Home Heating Credit expenditures do not exceed available federal LIHEAP funds. The reduction factor will be 90% should federal LIHEAP funding meet current expectation. Therefore, as a last step, amounts arrived at by using the standard calculation or the alternate calculation will be multiplied by 90% to determine the final Home Heating Credit payment level.

Benefits will be issued as an energy draft or vendor payment if the household has a direct responsibility to an energy supplier for heating costs or as a warrant if heat is included in the rent.

➔ Do you provide in-kind (e.g., blankets, space heaters) and/or other forms of benefits?

___ Yes X No If Yes, please describe.

statutory
references

2605(b)(5)
2605(c)(1)(B)

COOLING COMPONENT

➔ Please check the variables you use to determine your benefit levels
(check all that apply):

(benefit
determination)

- ☐ income
- ☐ family (household) size
- ☐ home energy cost or need
- ☐ fuel type
- ☐ climate/region
- ☐ individual bill
- ☐ dwelling type
- ☐ energy burden
(% of income spent on home energy)
- ☐ energy need
- ☐ other (describe)

2605(b)(5)
2605(c)(1)(B)

➔ Describe how you will assure that the highest
benefits will go to households with the lowest
incomes and the highest energy costs or needs
in relation to income, taking into account family size. Please describe
benefit levels or attach a copy of your payment matrix.

(benefit
levels)

➔ Do you provide in-kind (e.g. fans) and/or other forms of benefits?

☐ Yes ☐ No If Yes, please describe.

statutory
references

2605(b)(5)
2605(c)(1)(B)
(benefit
determination

CRISIS COMPONENT

➔ How do you handle crisis situations?

 X separate component other (please explain)

➔ If you have a separate component, how do you determine crisis assistance benefits?

 X amount to resolve crisis, up to maximum

 other (please describe)

CRISIS ASSISTANCE:

Households meeting the eligibility criteria (see crisis assistance eligibility above) are eligible for energy services under the State Emergency Relief program at the following benefit levels:

Payment Levels:

SER energy services covered by LIHEAP include:

Heating Fuel: Payment is provided for any type of fuel used to heat the dwelling unit up to an annual maximum as follows:

- \$550 for households which heat with natural gas or wood.
- \$850 for households which heat with deliverable fuel, other than wood.
- \$1100 for households which are all-electric (including heat) customers.

Electricity: Payment is provided for electricity needed to operate the heating system or to provide energy to the dwelling unit to make it livable, up to an annual maximum of \$550 per household.

Payment for heating fuel or electricity is made to prevent shut-off or to restore the service when it is essential to prevent serious harm. Payment is the minimum amount necessary to prevent shut-off or to restore service, and may include connection or hook up fees, which will not be waived by

the provider. Payments in excess of the maximums may be made on an exception basis.

Home Repairs: Payment for home repairs is the minimum necessary to maintain a decent, safe, warm dwelling unit. The lifetime maximum is \$1500. Exceptions may be granted for unique and unusual circumstances by a central authority.

Payments for SER energy services will be made within 30 calendar days of receipt of the authorization/invoice from the provider, however, resolution of the emergency occurs more quickly. Because of a close working relationship with providers, emergency situations are most often resolved by a commitment to pay. Resolution of the emergency situation occurs within 48 hours after eligibility determination or within 18 hours if the situation is life threatening.

Whenever possible, payments will be made directly to the heating fuel, electricity, or home repair provider by the FIA Central Office. If an enrolled provider cannot be found to deliver the service a payment will be made by the local FIA office to the head of the household for use in securing the needed service.

(benefit
levels)

➔ Please indicate the maximum benefit for each type of crisis assistance offered.

heating \$_____ maximum benefit

cooling \$_____ maximum benefit

year-round \$ (varies based on service type (see payment levels above)) maximum benefit

➔ Do you provide in-kind (e.g. blankets, space heaters, fans) and/or other forms of benefits?

___ Yes X No If Yes, please describe.

statutory
references

2605(b)(5)
2605(c)(1)
(B) & (D)

**WEATHERIZATION & OTHER ENERGY RELATED
HOME REPAIR AND IMPROVEMENTS**

➔What LIHEAP weatherization services/materials do you provide?
(Check all categories that apply.)

(types of
assistance)

☒ Weatherization needs assessments/audits.
☒ Caulking, insulation, storm windows, etc.
☒ Furnace/heating system modifications/repairs
☒ Furnace replacement
☐ Cooling efficiency mods/repairs/replacement
☒ Other (Please describe) Roof repair/replacement

(benefit
levels)

➔Do you have a maximum LIHEAP weatherization benefit/expenditure
per household? ☒ Yes ☐ No

If Yes, what is the maximum amount? \$ 6,600 (See "Maximum
Average Cost Per Unit" described below.)

➔Under what rules do you administer LIHEAP weatherization? (Check
only one.)

(types of
rules)

☐ Entirely under LIHEAP (not DOE) rules
☐ Entirely under DOE LIWAP rules
☐ Mostly under LIHEAP rules with the following DOE LIWAP rule(s)
where LIHEAP and LIWAP rules differ (Check all that apply):

☐ Weatherize buildings if at least 66% of units (50% in 2- &
4-unit buildings) are eligible units or will become eligible within
180 days

☐ Weatherize shelters temporarily housing primarily low
income persons (excluding nursing homes, prisons, and similar
institutional care facilities).

☐ Other (Please describe)

☒ Mostly under DOE LIWAP rules, with the following LIHEAP
rule(s) where LIHEAP and LIWAP rules differ (Check all that apply.)

☒ Weatherization not subject to DOE LIWAP maximum
statewide average cost per dwelling unit.

☒ Other (Please describe.) See below

LIHEAP WEATHERIZATION

BACKGROUND:

Grantees are required to administer the LIHEAP grant following U.S. Department of Energy Weatherization Assistance Program Regulations and the State of Michigan Annual LIHEAP State Plan.

POLICY:

LWOs are required to administer this grant following HHS LIHEAP regulations and U.S. Department of Energy (DOE) Weatherization Assistance Program (WAP) regulations.

The Grantee will determine which weatherization measures will be completed on an eligible dwelling unit in accordance with the Weatherization Field Manual Chapter II. I.B. - Inspection/Testing/Energy Audit Requirements.

LIHEAP funds may be used to:

- complete additional measures on DOE units. NEAT or the Priority List must determine the additional measures installed. These homes must be identified as DOE/LIHEAP units on the Monthly Programmatic Report (FIA-1071).
- weatherize non-DOE units when the weatherization measures installed are determined by NEAT or the Priority List. These homes must be identified as LIHEAP Only units on the Monthly Programmatic Report (FIA-1071).

Water Heaters

- Water heaters may only be replaced in owner-occupied.
- To replace a water heater, the appliance must be inoperable or documented as faulty or inefficient by a utility or repairperson.
- An electric water heater meeting the criteria above can be replaced with either another electric water heater or a water heater using another fuel source. Any reasonable changes associated with conversion from electricity to another fuel source can also be included.
- Funds cannot be used to convert to an electric water heater from another fuel source.

Roof/Furnace Repairs or Replacements

- Roof and furnace repairs or replacements are only permitted on owner-occupied homes.
- Furnace repairs/replacements are limited to \$1,500 per home. The Grantee may make an exception to this limit if the Grantee determines that circumstances warrant an exception. Documentation covering the reason for the exception must be placed in the client file.

Examples of documentation include but are not limited to a health or safety issue, the home cannot be weatherized until the repair/replacement is completed; the home is in a historical preservation neighborhood or has other unique or costly features.

Note: Exceptions are to the \$1,500 limit only. No exceptions are allowed to income eligibility guidelines or the \$6,600 average unit maximum.

Maximum Average Cost per Unit

- The maximum allowable average cost per unit for LIHEAP expenditures for material and labor cost is \$6,600.

Note: If the cost of a roof repair or replacement is more than the Grantee can allow, in order to stay within the maximum average cost per unit, the Grantee should discuss with the home owner the option of paying the overage and refer them to their local CDBG provider for information on low or no-interest home repair loans.

Income Eligibility:

Income eligibility will be determined based on 150% of the poverty income guidelines following the eligibility determination procedures in CSPM Item 701, LIHEAP Income Eligibility Guidelines.

2605(b)(6) The state or tribe administers LIHEAP through the following local agencies:

- ☒ county welfare offices
- ☒ community action agencies (weatherization component only)
- ☐ community action agencies (heating, cooling or crisis
- ☐ charitable organizations
- ☐ not applicable (i.e. state energy office)
- ☐ tribal office
- ☒ other, describe: Limited Purpose Agencies (weatherization component only)

➔ Have you changed local administering agencies from last year?

☐ Yes ☒ No

If Yes, please describe how you selected them.

(agency
designation)

➔ What components are affected by the change?

2605(c)(1)(E) ➔ Please describe any additional steps (other than those described elsewhere in this plan) that will be taken to target assistance to households with high home energy burdens. **(This applies to all components. If all steps to target households with high home energy burdens are described elsewhere in the plan, no further information is required here.)**

(targeting of
assistance)

All steps are described elsewhere in the plan.

statutory
references

2605(b)(7)
(energy
suppliers)

➔Do you make payments directly to home energy suppliers?

Heating X Yes No

Cooling Yes No

Crisis X Yes No

If Yes, are there exceptions? X Yes No

If Yes, please describe.

Home Heating Credit: Benefits will be issued as an energy draft or vendor payment if the household has a direct responsibility to an energy supplier for heating costs, or as a warrant if heat is included in the rent.

Crisis: Benefits will be issued directly to the energy supplier for categorically eligible households, up to the yearly maximum.

2605(b)(7)(A)

➔If you make payments directly to home energy suppliers, how do you notify the client of the amount of assistance paid? (Please describe)

Clients are issued a statement notifying them of the amount of assistance paid if a direct payment is made to their energy supplier.

2605(b)(7)
(B) & (C)

➔How do you make sure the home energy supplier performs what is required in this assurance? If vendor agreements are used, they may be attached. Indicate each component for which this description applies.

HEATING ASSISTANCE (HOME HEATING CREDIT) & CRISIS ASSISTANCE

Family Independence Agency: FIA has over 1,500 energy suppliers enrolled in the program. The suppliers are required to sign a participation agreement that assures non-discrimination against eligible households. Vendor payments for SER energy services and energy drafts may be accepted only by enrolled energy suppliers. Local offices have access to the provider file through on-line inquiry. Payments may only be

authorized to enrolled suppliers. The Department of Treasury will not redeem energy drafts submitted by non-enrolled energy suppliers.

Home repair service providers must agree to non-discrimination provisions before payment will be made from the SER energy services component. The Authorization/Invoice utilized for the program must be signed by the provider to assure the provider's agreement with these provisions. A notice will be sent to all SER energy services recipients subsequent to the issuance of payment to notify the client of the date of payment, amount of payment, and provider paid on his/her behalf.

statutory
references

2605(b)(8)(B)

➔ Is there any difference in the way owners and renters are treated? If Yes, please describe.

(owners
and
renters)

HEATING ASSISTANCE

 X Yes No

For those who rent with heat included at the time of application, the Home Heating Credit is 50% of the amount they would have otherwise received.

COOLING ASSISTANCE

 Yes No N/A

CRISIS ASSISTANCE

 X Yes No

Under the State Emergency Relief program, only homeowners are eligible for energy-related home repairs.

WEATHERIZATION

 X Yes No

Only owner-occupied homes are eligible for furnace repair/replacement & roof repair/replacement.

statutory
references

2605(b)(10)

(program,
fiscal
monitoring,
and audit)

➔How do you ensure good fiscal accounting and tracking of LIHEAP funds? (Please describe. Include a description of how you monitor fiscal activities.)

Michigan will cooperate with the Secretary with respect to data collection.

Family Independence Agency: Fiscal control and fund accounting procedures will be established to assure proper disbursement of and accounting for all federal funds received. Inter-agency agreements (contracts) will specify the responsibilities of any state department and the FIA in the disbursement of federal funds and reporting the required data and fiscal information to the U.S. Department of Health and Human Services. Involved state departments will cooperate with federal investigations undertaken in accordance with section 2608 of the Low Income Home Energy Assistance Act of 1981, as amended.

Department of Treasury: Treasury personnel will regularly review the Home Heating Credit and Special Energy Allowance process and will submit monthly reports to FIA. The Department of Treasury will establish fiscal control and fund accounting procedures to assure proper disbursement of and accounting for all federal funds.

➔How do you monitor program activities? (Please be sure to include a description of how you monitor eligibility and benefit determination.)

FIA will monitor a representative sample of local FIA offices to assure compliance with SER energy services policies as well as with outreach, public participation and administrative requirements of the program.

FIA will be responsible for assuring that an audit of all components of the energy assistance program as described within this plan is completed.

Community Action Agencies and Limited Purpose Agencies: Program and fiscal operations of sub-grantees are monitored using the following:

- Contracts with Weatherization and crisis assistance sub-grantees require compliance with mutually agreed upon budgets and established accounting procedures.
- FIA staff conduct on-site visits to each sub-grantee reviewing application processes, eligibility documentation, payment systems, accounting procedures, service delivery, compliance with technical weatherization requirements and other contractual responsibilities.

- FIA Office of Internal Audit review of sub-grantee A-133 Audit reports.
- Staff review of regularly submitted sub-grantee reports.
- Routine staff telephone contact with sub-grantees to answer questions regarding program operation.

➔How is your LIHEAP program audited?

Under the Single Audit Act? X Yes No

If not, please describe:

For States and Territories:

➔Is there an annual audit of local administering agencies? X Yes No

If not, please explain.

statutory
references

2605(b)(12)

(timely and
meaningful
public
participation)

➔How did you get timely and meaningful public participation in the development of the plan? (Please describe.)

In addition to the public hearings held (see below), a draft of the 2005 LIHEAP State Plan was made available to the public at all local FIA offices and Community Action Agencies. Written comments on the state plan were accepted from July 14, 2004 through August 1, 2004.

2605(a)(2)

(public
hearings)

➔Did you conduct public hearings on the proposed use and distribution of your LIHEAP funds?

 X Yes No When and where?

(Not required for Tribes and tribal organizations)

Michigan published notices, in five major newspapers, announcing the availability of the State Plan for LIHEAP and soliciting public comment regarding plan provisions. The public comment period was from July 14 until August 1, 2004.

To facilitate review of and comment on the State Plan, copies were made available in all FIA local offices and in the Community Action Agencies.

Two public hearings were held during the public comment period on July 22, 2004 and July 23, 2004. There were no comments received at the public hearings. Copies of the hearing transcripts are attached to this plan.

If further substantial revisions to the State Plan are required, copies of such revisions will be sent to all local FIA offices and will be available for the public to review and submit comments.

statutory
references

2605(b)(13)

(fair
hearings)

→ Describe your fair hearing procedures for households whose applications are denied or not acted on in a timely manner. When are applicants informed of these rights?

→ Denials

Family Independence Agency: Individuals applying for SER energy services administered by FIA are provided with written notice of their hearing rights on applications for assistance. An individual may request a hearing because an application for assistance was denied or not acted upon within the 10-day standard of promptness.

Department of Treasury: Home Heating Credit applicants will be advised of their right to a hearing if their applications are denied or not acted on within 45 days. They also will be afforded an opportunity to discuss any denial with Department of Treasury personnel through a toll-free hotline established for that purpose. This pre-hearing conference will not deny the household the right to a timely hearing. Home Heating Credit hearings will be conducted by the Michigan Tax Tribunal.

→ Applications Not Acted On In a Timely Manner

Family Independence Agency: Individuals applying for SER energy services administered by FIA are provided with written notice of their hearing rights on applications for assistance. An individual may request a hearing because an application for assistance was denied or not acted upon within the 10-day standard of promptness.

Department of Treasury: Home Heating Credit applicants will be advised of their right to a hearing if their applications are denied or not acted on within 45 days. They also will be afforded an opportunity to discuss any denial with Department of Treasury personnel through a toll-free hotline established for that purpose. This pre-hearing conference will not deny the household the right to a timely hearing. Home Heating Credit hearings will be conducted by the Michigan Tax Tribunal.

Community Action Agencies and Limited Purpose Agencies: Local sub-grantees are required to have an appeals procedure for applicants desiring to contest an eligibility decision or the timeliness of such a decision. Sub-grantees are required to establish written hearing procedures and maintain hearing records. Notice is given to applicants of their right to a hearing. If an applicant is denied assistance after a local hearing, decisions may be appealed to FIA.

statutory
references

2605(b)(15)

For States and Puerto Rico only (not applicable to Tribes and tribal organizations, or to territories whose annual regular LIHEAP allotments are \$200,000 or less):

➔ Does the State agency that administers the following LIHEAP component also administer the State's welfare program?

(alternate
outreach
and intake)

HEATING ASSISTANCE

 X Yes No

If yes, describe alternate process for outreach and intake:

General Outreach: FIA and the Department of Treasury will coordinate outreach activities to inform all LIHEAP eligible households of the program, as well as inform such households of other major energy programs. Target groups are senior citizens, disabled residents, Native Americans, migrants and households with young children. To reach this goal Community Action Agencies, the Public Service Commission, the Office of Services to the Aging, the Commission on Indian Affairs and other advocate groups are informed of the FY 2005 program.

Examples of outreach efforts include posters, a toll-free Home Heating Hotline, media announcements and local agency outreach.

In addition, the Department of Treasury will mail a Home Heating Credit application to all households eligible for the program during FY 2004, including households with high home energy burdens, low income senior citizens who filed a property tax claim during FY 2004 and to cash assistance recipients (primarily FIP households). Applications will also be mailed to recipients of FY 2004 Michigan property tax credits who appear to have been eligible but failed to apply for the Home Heating Credit.

COOLING ASSISTANCE

 Yes No

If Yes, describe alternate process for outreach and intake:

CRISIS ASSISTANCE

 X Yes No

If yes, describe alternate process for outreach and intake:

The SER energy services component is administered by FIA. Local FIA offices will perform intake, eligibility determination and certain payment functions. With the exception of one county (where the local office operations are combined with an adjoining county), there is at least one local office in each Michigan county and multiple offices in metropolitan areas. In-home applications are available to individuals who are physically infirm. Additionally, outreach will be conducted and applications will be available at community-based organizations statewide.

Face-to-face interviews are required for persons who are applying for SER energy services and are previously unknown to the agency, unless waived by the local office director. Exceptions will be made for certain services when coordinated with other energy-related efforts, such as weatherization. Eligibility will be determined within 10 calendar days after the date of application.

statutory
references

2605(b)(16)

➔ Do you use LIHEAP funds to provide services that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance? (This assurance refers to activities such as needs assessments, counseling, and assistance with energy vendors.)

☐ Yes ☒ No

If Yes, please describe these activities.

If Yes, how do you ensure that you don't use more than 5% (statutory ceiling) of your LIHEAP funds for these activities?

statutory
references

2607A

(leveraging)

➔ Please describe leveraging activities planned for the fiscal year. **(This entry is optional.)*** Complete this entry if you plan to apply for LIHEAP leveraging incentive funds and to include in your leveraging report resources/benefits provided to low income households this fiscal year under criterion (iii) in 45 CFR 96.87(d)(2). Provide the following information for each:

- (1) Identify and described each resource/benefit;
- (2) Identify the source(s) of each resource; and
- (3) Describe the integration/coordination of each resource/benefit with the LIHEAP program, consistent with 1 or more of conditions A-H in 45 CFR 96.87(d)(2)(iii).

In addition to federally funded benefits, Michigan's LIHEAP provides considerable benefits which are paid from non-federal sources. These benefits from non-federal sources are available under LIHEAP to federally qualified households; are quantifiable in dollars; and represent a net addition to total energy resources that could otherwise be obtained at common prices with available federal energy funds. These benefits include:

Arrearage Forgiveness: Utility companies may offer arrearage forgiveness to encourage LIHEAP eligible households to participate in bill payment plans which include application for benefits under the SER energy services component of LIHEAP. Receipt of LIHEAP, state and other federal funds was critical to the companies' decision to extend arrearage forgiveness to participating households.

Private Energy Funds: Resources from private energy funds across the state are coordinated with the LIHEAP state plan to provide maximum coverage and to reduce duplication of effort. Payments from the private funds are made on behalf of federally eligible households to help meet the costs of home energy. In general, applicants for assistance from the private funds are required to demonstrate that they have made application for available state energy assistance before help is authorized. Private energy fund payments are a supplement to the state's LIHEAP.

State Funded Heat and Electric Required Payments: Under the SER energy services component of Michigan's LIHEAP, state income assistance households must meet required payment criteria to qualify for a federally funded benefit. A household is expected to pay the state-funded heat and electric required payment portion of its grant toward energy costs. If actual costs are greater than required payments, the household qualifies for a LIHEAP benefit. Households are given the opportunity to have the heat and electric portion of the grant sent directly to providers, and those electing direct payment are assured of meeting required

payments and expedited processing of LIHEAP benefits. State funded heat and electric required payments are coordinated with LIHEAP funds to meet the energy needs of LIHEAP eligible households.

Waived Late Penalties and Security Deposits: Again, the cooperative arrangement between state government and some major utilities has produced a comprehensive low income energy assistance plan which provides for the waiver of late payment penalties and security deposits for federally qualified households. The availability of LIHEAP, state and other federal energy funds is crucial to the utilities' participation in the comprehensive plan and offer to waive fees. The waiver of late payment penalties and security deposits allows the state to secure additional home energy resources for federally qualified households .

Michigan Public Service Commission Funds: The Family Independence Agency applied for and received \$7.5 million in Public Service Commission funds to expand eligibility for its LIHEAP funded crisis assistance program in 2004. The Family Independence Agency plans to apply for these funds to use in a similar manner for the 2005 Fiscal Year.

LIHEAP Direct Payment Program: The Family Independence Agency has entered into agreements with three major utility companies to participate in a matching funds program. Categorically eligible households in shutoff status will receive LIHEAP benefits up to the fiscal year cap sent directly to the participating providers. The providers will establish case management/payment plans with each customer. Once the customer has made 5 regular payments, the utility provider will match an amount equal to 25% of the total FIA payment. The availability of LIHEAP, state and other federal energy funds is crucial to the utilities' participation in the plan. This plan allows the state to secure additional home energy resources for federally qualified households .

* Leveraged resources/benefits that are counted under criterion (iii) in 45 CFR 96.87(d)(2) must be identified and described in the grantee's LIHEAP plan and distributed as indicated in the plan. In addition, leveraging resources/benefits that are counted under criterion (ii) must be carried out under one or more components of the grantee's regular LIHEAP program.

statutory
references

2605(b) ➔ Please describe performance goals and measures planned for the fiscal
year. **(This entry is optional.)**
(performance)
goals and
measures)

ADDITIONAL CERTIFICATIONS AND REQUIREMENTS

Attached are additional certifications required as follows:

- * **Lobbying certification**, which must be filed by all States and territories. If applicable, Form LLL, which discloses lobbying payments, must be submitted. **(Tribes and tribal organizations are EXEMPT)**
- * **Debarment and suspension certification**, which must be filed by all grantees.
- * **Drug-free workplace requirement certification**, which must be filed by all grantees, unless the grantee has filed a statewide certification with the Department of Health and Human Services. **STATES ONLY:** If you have filed a statewide certification for the drug-free workplace requirement, please check here:_____
- * One of the new requirements included in the 1994 reauthorization of the statute is that grantees must include in their annual application for funds a report on the number and income levels of households applying for and receiving LIHEAP assistance, and on the number of recipient households that have members who are elderly, disabled, or young children.

All Tribes and those territories with allotments of less than \$200,000 need only submit data on the number of households served by each component (heating, cooling, weatherization and crisis). The approval for the collection of information contained in the **LIHEAP Household Report** is covered by OMB approval number 0970-0060.
- * Though not a part of this application, the report on funds to be carried over or available for reallocation as required by section 2607(a) for the preceding year must be submitted by August 1 of each year. A grant award for the current fiscal year may not be made until the carryover/reallocation report is received. The approval for the collection of information contained in the **LIHEAP Carryover and Reallocation Report** is covered by OMB approval number 0970-0106.